



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

C-570-078

Countervailing Duty Investigation of Large Diameter Welded Pipe from the People's Republic of China: Final Affirmative Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) determines that countervailable subsidies are being provided to producers/exporters of large diameter welded pipe from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Justin Neuman at (202) 482-0486 or Benito Ballesteros at (202) 482-7425, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On June 29, 2018, Commerce published in the *Federal Register* the *Preliminary Determination* of this countervailing duty (CVD) investigation and invited interested parties to comment.¹ We received no comments from any interested parties.

¹ See *Large Diameter Welded Pipe from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Determination*, 83 FR 30695 (June 29, 2018) (*Preliminary Determination*).

Period of Investigation

The period of investigation is January 1, 2017, through December 31, 2017.

Scope of the Investigation

The product covered by this investigation is large diameter welded pipe from China. For a full description of the scope of this investigation, *see* the “Scope of the Investigation,” at the Appendix to this notice.

Scope Comments

During the course of this investigation and the concurrent LTFV investigations of large diameter welded pipe from Canada, Greece, Korea, China and Turkey, and the concurrent countervailing duty investigations of large diameter welded pipe from India, Korea and Turkey, Commerce received numerous scope comments from interested parties. We issued a Preliminary Scope Decision Memorandum² to address these comments. Further, in the *Preliminary Determination*, we set aside a period of time for parties to address scope issues in scope case and rebuttal briefs. No interested parties submitted scope comments in case or rebuttal briefs. Therefore, for this final determination, the scope of this investigation remains unchanged from that published in the *Preliminary Determination*.

Use of Adverse Facts Available

As noted above, we received no comments pertaining to the *Preliminary Determination*. As stated in the *Preliminary Determination*, we found that the mandatory respondents in this investigation, Hefei Zijin Steel Tube Manufacturing Co., Hefei Ziking Steel Pipe, and Panyu Chu Kong Steel Pipe Co. Ltd., did not cooperate to the best of their abilities and, accordingly, we determined it appropriate to apply facts otherwise available with adverse inferences, in

² *See* Memorandum, “Scope Comments Decision Memorandum for the Preliminary Determinations,” dated June 19, 2018 (Preliminary Scope Decision Memorandum).

accordance with section 776(a)–(b) of the Tariff Act of 1930, as amended (the Act).³ For this final determination, Commerce has made no changes to the *Preliminary Determination*.

All-Others Rate

As discussed in the *Preliminary Determination*, Commerce based the selection of the “All-Others” rate on the countervailable subsidy rate established for the mandatory respondents in accordance with section 705(c)(5)(A)(ii) of the Act.⁴ We made no changes to the selection of this rate for this final determination.

Final Determination

Commerce determines that the following estimated countervailable subsidy rates exist:

Company	Subsidy Rate (percent)
Hefei Zijin Steel Tube Manufacturing Co.	198.49
Hefei Ziking Steel Pipe	198.49
Panyu Chu Kong Steel Pipe Co. Ltd.	198.49
All-Others	198.49

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination* and pursuant to section 703(d)(1)(B) and (d)(2) of the Act, Commerce directed U.S. Customs and Border Protection (CBP) to suspend liquidation of entries of subject merchandise as described in the Scope of the Investigation section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after October 27, 2018, but to

³ See *Preliminary Determination*.

⁴ *Id.*

continue the suspension of liquidation of all entries from June 29, 2018, through October 26, 2018.

If the U.S. International Trade Commission (ITC) issues a final affirmative injury determination, we will issue a CVD order, reinstate the suspension of liquidation under section 706(a) of the Act, and will require a cash deposit of estimated countervailing duties for such entries of subject merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated, and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

International Trade Commission Notification

In accordance with section 705(d) of the Act, Commerce will notify the ITC of its determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (APO), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Notification Regarding Administrative Protective Orders

This notice will serve as a reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: November 5, 2018

Gary Taverman
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance

Appendix

Scope of the Investigation

The merchandise covered by this investigation is welded carbon and alloy steel pipe (including stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is covered by the scope of this investigation, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope large diameter welded pipe.

The large diameter welded pipe that is subject to this investigation is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6010, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

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